

quent to the calendar year with respect to which were incurred such expenses. If the actual expenses for qualified drugs upon which such claim is based (when added to all claims eligible to be filed during the calendar year with respect to such expenses were incurred) exceeds the amount of the deductible for such year (as so determined).

"(c) The benefits provided by reason of section 1832(a) (3) may be paid by the Secretary or the Secretary may utilize the service of carriers or such other agencies qualified for the administration of such benefits under contracts entered into between the Secretary and such carriers for such purpose. To the extent determined by the Secretary to be appropriate, the provisions relating to contracts entered into pursuant to section 1842 shall be applicable to contracts entered into pursuant to this subsection.

"FORMULARY COMMITTEE

"Sec. 1846. (a) There is hereby established a Formulary Committee to consist of three officials, within the Department of Health, Education, and Welfare, who are of appropriate professional background and who are designated by the Secretary. At least two of such officials shall be physicians. The chairman of such committee shall be designated by the Secretary and shall serve for such period of time as the Secretary deems appropriate.

"(b) (1) It shall be the duty of the Formulary Committee, with the advice of the Formulary advisory group (established pursuant to section 1847), to—

"(A) determine which drugs and biologicals shall constitute qualified drugs for purposes of the benefits provided under section 1832(a); and

"(B) determine, with the approval of the Secretary, the allowable benefit of the various quantities, strengths, or dosage forms of any drug or biological determined by the Committee to constitute a qualified drug; and

"(C) publish and disseminate at least once each calendar year among physicians, pharmacists, and other interested persons, in accordance with directive of the Secretary, (i) an alphabetical list naming each drug or biological by its established name and such other information as the Secretary deems necessary, and (ii) an indexed representative listing of such trade or other names by which such drug or biological is commonly known, together with the allowable benefit for various quantities, strengths, or dosage forms thereof, together with the names of the supplier of such drugs upon which the allowable benefit is based.

"(2) (A) Drugs and biologicals shall be determined to be qualified drugs if they can legally be obtained by the user only pursuant to a prescription of a lawful prescriber; except that the Formulary Committee may include certain drugs and biologicals not requiring such a prescription if it determines such drugs or biologicals to be of a lifesaving nature.

"(B) In the interest of orderly, economical, and equitable administration of the benefits provided under section 1832(a) (3), the Formulary Committee may, by regulation, provide that a drug or biological otherwise regarded as being a qualified drug shall not be so regarded when prescribed in unusual quantities.

"(3) In determining the allowable benefit for any quantity, dosage form, and strength of any qualified drug, the Formulary Committee shall seek to approximate the anticipated charges to beneficiaries and establish a payment amount that will include the acquisition cost to the ultimate dispenser of the qualified drug dispensed, plus—

"(A) in the case of a community pharmacy, (i) for a prescription-legend drug, the allowable fee component to cover the costs of overhead and professional services attendant to the dispensing of such drug and amount

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(A), a billing allowance and an amount representing a fair profit; and

"(B) in the case of hospitals and extended care facilities, or when applicable, physicians (under section 1861(s) (10)), an allowance equal to the cost to the dispenser for providing the qualified drug.

In any case in which a qualified drug is available from more than one source, the acquisition cost of such qualified drug, for purposes of this section, shall be deemed to be the lowest cost of such drug, however named, which meets the quality and other standards for such drug required under the Federal Food, Drug, and Cosmetic Act, as amended. Whenever the lowest cost (to the ultimate dispensers thereof) of a particular drug or biological differs significantly in the various regions of the United States, or among the ultimate dispensers thereof, the Formulary Committee may establish, for the various regions of the United States, separate schedules of allowable benefits with respect to such drug or biological so as to reflect the lowest cost at which such drug or biological is generally available to the ultimate dispensers or among such dispensers thereof in each such region.

"ADVISORY GROUP TO FORMULARY COMMITTEE

"Sec. 1847. (a) For the purpose of providing professional, technical, and scientific advice to the Formulary Committee with respect to its duties and functions, the Secretary shall appoint an advisory group to the Formulary Committee (hereafter in this section referred to as the "advisory group"). The advisory group shall consist of seven members to be appointed by the Secretary. From time to time, the Secretary shall designate one of the members of the advisory group to serve as chairman thereof. The members shall be so selected that each represents one or more of the following national professional health organizations: An organization of physicians, an organization of pharmacists, an organization of persons concerned with public health, an organization of colleges of medicine, and an organization of colleges of pharmacy. Each member shall hold office for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the terms of office of six of the members first taking office shall expire, as designated by the Secretary at the time of appointment, two at the end of the first year, and two at the end of the second year, and two at the end of the third year, after the date of appointment. A member shall not be eligible to serve continuously for more than two terms.

"(b) Members of the advisory group, while attending meetings or conferences thereof or otherwise serving on business of the advisory group, shall be entitled to receive compensation at rates to be fixed by the Secretary, but not exceeding \$75 per day, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The advisory group is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the advisory group such secretarial, clerical, and other assistance and such pertinent information of Health, Education, and Welfare as the advisory group may require to carry out its functions."

1861 (s) of the Social Security Act is amended by (1) striking out "and" at the end of paragraph (8), (2) by striking out the period at the end of paragraph (9) and in lieu of such period insert "; and", and (3) by adding immediately after paragraph (9) the following new paragraph: "(10) qualified drugs for self-administration (as defined in section 1845(a) (1)) dispensed by a physician (i) in an emergency (but not routinely), or (ii) when adequate community pharmaceutical services are not otherwise available, as determined in accordance with regulations prescribed by the Secretary."

(2) Section 1861(s) is further amended by redesignating paragraphs (10) through (13) as paragraphs (11) through (14), respectively.

(f) Section 1861(t) of the Social Security Act is amended (1) by striking out "such drugs and biologicals, respectively, as are included (or approved for inclusion) in the United States Pharmacopoeia, the National Formulary, or the United States Pharmacopoeia, or in New Drugs or Accepted Dental Remedies (except for any drugs and biologicals unfavorably evaluated therein)" and insert in lieu thereof the following: "qualified drugs, as designated under section 1845 (a) (1)", (2) by inserting "or extended care facility" after "hospital", and (3) by striking out "hospitals" and inserting in lieu thereof "institutions".

(g) The amendments made by this section shall become effective on January 1, 1971.

S. 764—INTRODUCTION OF BILL TO ESTABLISH AN INTERNATIONAL HEALTH, EDUCATION, AND LABOR PROGRAM

Mr. YARBOROUGH. Mr. President, the nations of the world need to know us on a peaceful basis. We should seek to relate to the other nations of the world through education and science, through arts and the humanities. We could help meet some of the world's needs in these kinds of fields, and promote understanding at the same time.

Some few Government organizations, such as the Peace Corps, and private foundations and organizations, have undertaken the tasks of understanding. Funding for private organizations, however, has been hard to obtain, and a great many of these private foundations were only able to obtain funds from the Central Intelligence Agency. It is necessary that these organizations be able to receive their funds from more public and positive sources. There is now no provision for this kind of funding.

Our Government can help these organizations. In order to provide some funds of this type, I am pleased to introduce a bill to establish an international health, education, and labor program to provide support for private, nongovernmental activities in the fields of health, education, and labor, as well as other welfare fields. It is designed to, first, provide the people of the world better understanding of the United States; second, to promote unity among the people of the world, and, third, to promote and aid free and independent societies for all the people of the world.

In order to have strong leadership for this program, the bill provides that a single director will be appointed by the President, with the aid and counsel of the Senate. The Director shall be assisted by an 11-member council to advise

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Members of the council shall be in the fields of education, labor, health, and research; they shall not be employees or officers of the U.S. Government.

The Director shall make grants for the purpose of aiding certain organizations to participate in conferences, meetings, and seminars dealing with the fields of health, education, labor, and welfare. These certain organizations shall be private, nonprofit organizations, public or private nonprofit educational institutions, and to individuals not employed by Federal, State, or local governments. All activities relating to these grants shall be conducted openly. The Director may require reports to determine the distribution of the grants; however, he is not allowed to make any stipulation upon such grants that prohibits or inhibits the free speech and thought of the recipient of such a grant.

There are specific provisions in the bill referring to the use of grants for "intelligence-gathering activity"; section 7 of this bill forbids any requiring of intelligence gathering by the program to any recipient of these grants.

This bill authorizes the appropriation funds for the first 5 years of the program to facilitate long-range planning for the program. A total sum of \$100 million is authorized for the period extending to June 30, 1972; I hope that further appropriations would be made on a 5-year basis. By making multiyear appropriations, we might facilitate the transfer of funds from Government hands to those of private organizations.

I ask unanimous consent that the text of the bill be printed at the conclusion of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 764) to establish an international health, education, and labor program to provide open support for private, nongovernmental activities in the fields of health, education, and labor, and other welfare fields, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 764

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF FOUNDATION

SECTION 1. (a) There is hereby established as an independent agency of the Government an International Health, Education, and Labor Foundation (hereinafter referred to as the "Foundation").

(b) The Foundation shall be composed of a Director and an International Health, Education, and Labor Council (hereinafter referred to as the "Council").

(c) The purposes of the Foundation shall be to establish and conduct an international health, education, and labor program under which the Foundation shall provide open support for private, nongovernmental activities in the fields of health, education, and labor, and other welfare fields, designed—

(1) to promote a better knowledge of the United States among the peoples of the world;

(2) to increase friendship and understanding

(3) to strengthen the capacity of the other peoples of the world to develop and maintain free, independent societies in their own nations.

DIRECTOR OF FOUNDATION

SEC. 2. (a) The Foundation shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. The person nominated for appointment as the Director shall be a distinguished citizen who has demonstrated exceptional qualities and abilities necessary to enable him to successfully perform the functions of the office of the Director.

(b) The Director shall receive compensation at the rate prescribed for level II of the Executive Schedule under section 5311 of title 5, United States Code, and shall serve for a term of five years.

(c) The Director, with the advice of the Council, shall exercise all of the authority granted to the Foundation by this Act and shall serve as chief executive officer of the Foundation.

COUNCIL

SEC. 3. (a) The Council shall consist of eleven members to be appointed by the President, by and with the advice and consent of the Senate. The persons nominated for appointment as members of the Council (1) shall be eminent in the fields of education, student activities, youth activities, labor, health, scientific research, or other fields pertinent to the functions of the Foundation; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall not be officers or employees of the Government of the United States. The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by leading private associations, institutions, and organizations concerned with private activities in the fields of health, education, and labor, and other welfare fields related to the purposes set forth in the first section of this Act.

(b) The term of office of each member of the Council shall be six years, except that (1) the terms of the members first appointed shall expire, as designated by the President, three at the end of two years, four at the end of four years, and four at the end of six years after the date of enactment of this Act; and (2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed. No member shall be eligible for reappointment during the two-year period following the expiration of his term.

(c) The members of the Council shall receive compensation at the rate of \$100 for each day engaged in the business of the Foundation and shall be allowed travel expenses as authorized by section 5703 of title 5, United States Code.

(d) The President shall call the first meeting of the Council and designate an Acting Chairman. The Board shall, from time to time thereafter, select one of its members to serve as Chairman of the Council.

(e) The Council shall meet at the call of the Chairman, but not less than once every six months. Six members of the Council shall constitute a quorum.

(f) The Council (1) shall advise the Director with respect to policies, programs, and procedures for carrying out his functions, and (2) shall review applications for financial support submitted pursuant to section 4 and make recommendations thereon to the Director. The Director shall not approve or disapprove any such application until he has received the recommendation of the Council thereon, unless the Council fails to make a recommendation on such application.

(g) The Council shall, on or before the 31st day of January, of each year, submit an an-

nual report to the President and the Congress summarizing the activities of the Council during the preceding calendar year and making such recommendations as it may deem appropriate. The contents of each report so submitted shall promptly be made available to the public.

GRANTS IN SUPPORT OF PRIVATE ACTIVITIES

SEC. 4. (a) To effectuate the purposes of this Act, the Director is authorized, subject to section 3(f), to make grants to private, nonprofit agencies, associations, and organizations organized in the United States, to public or private nonprofit educational institutions located in the United States, and to individuals or groups of individuals who are citizens of the United States not employed by the Government of the United States, a State or political subdivision of a State, or the District of Columbia, for the purpose of enabling them to assist, provide, or participate in international activities, conferences, meetings, and seminars in the fields of health, education, and labor, and other welfare fields related to the purposes set forth in the first section of this Act. No portion of any funds granted under this section shall be paid by the Director, or by any recipient of a grant under this section, to support any intelligence-gathering activity on behalf of the United States or to support any activity carried on by any officer or employee of the United States.

(b) Each grant shall be made by the Director under this section only upon application therefor in such form and containing such information as may be required by the Director and only on condition that the recipient of such grant will conduct openly all activities supported by such grant and make such reports as the Director may require solely to determine that the funds so granted are applied to the purpose for which application is made.

(c) The Director shall develop procedures and rules with respect to the approval or disapproval of applications for grants under this section which will provide, insofar as practicable, an equitable distribution of grants among the various applicants for such grants and types of activities to be supported by such grants, but which will assure that grants will be made to those qualified recipients most capable of achieving a successful or significant contribution favorably related to the purposes set forth in the first section of this Act. In making grants under this section, the Director shall not impose any requirements therefor or conditions thereon which impair the freedom of thought and expression of any recipients or other beneficiaries of such grants.

(d) The Director may (1) pay grants in such installments as he may deem appropriate and (2) provide for such adjustment of payments under this section as may be necessary, including, where appropriate, total withholding of payments.

PUBLIC REPORTS BY DIRECTOR

SEC. 5. The Director shall, on or before the 31st day of January each year, submit an annual report to the President and the Congress setting forth a summary of his activities under this Act during the preceding calendar year. Such report shall include a list of the grants made by the Director during the preceding calendar year; a statement of the use to which each recipient applied any grant received during the preceding calendar year; and any recommendations which the Director may deem appropriate. The contents of each report so submitted shall promptly be made available to the public.

GENERAL AUTHORITY

SEC. 6. The Director shall have the authority, within the limits of funds available un-

(1) prescribe such rules and regulations as he deems necessary governing the manner of

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the operations of the Foundation, and its organization and personnel;

(2) appoint and fix the compensation of such personnel as may be necessary to enable the Foundation to carry out its functions under this Act, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates; except that the salary of any person so employed shall not exceed the maximum salary established by the General Schedule under section 5332 of title 5, United States Code;

(3) obtain the services of experts and consultants from private life, as may be required by the Director or the Council, in accordance with the provisions of section 3109 of title 5, United States Code;

(4) accept and utilize on behalf of the Foundation the services of voluntary and uncompensated personnel from private life and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(5) receive money and other property donated, bequeathed, or devised, by private, nongovernmental sources, without condition or restriction other than that it be used for any of the purposes of the Foundation; and to use, sell, or otherwise dispose of such property in carrying out the purposes of this Act; and

(6) make other expenditures necessary to carry into effect the purposes of this Act.

PROHIBITION AGAINST REQUIRING INTELLIGENCE GATHERING

SEC. 7. No department, agency, officer, or employee of the United States shall request or require any recipient or any other beneficiary of any grant made under this Act to obtain, furnish, or report, or cause to be obtained, furnished, or reported, any information relating, directly or indirectly, to any activity supported by such grant, except as is (1) provided by section 4(b) of this Act or (2) authorized under law in the case of any information directly relating to the violation of any criminal law of the United States by such recipient or beneficiary.

INDEPENDENCE FROM EXECUTIVE CONTROL

SEC. 8. (a) Determinations made by the Director and the Council in the discharge of their functions under this Act shall not be subject to review or control by the President or by any other department, agency, officer, or employee of the Government.

(b) The provisions of subchapter II of chapter 5 of title 5, United States Code (relating to administrative procedure), and of chapter 7 of such title (relating to judicial review), shall not apply with respect to the exercise by the Director or the Council of their functions under this Act.

APPROPRIATIONS

SEC. 9. There are hereby authorized to be appropriated to the Foundation such sums as may be necessary to carry out the purposes of this Act, except that the aggregate of such sums appropriated prior to June 30, 1972, shall not exceed \$100 million. Sums appropriated under this section shall remain available until expended.

S. 765—INTRODUCTION OF BILL TO PROVIDE FOR A NATIONAL LUNG INSTITUTE

Mr. YARBOROUGH. Mr. President, today I am introducing legislation that would authorize the establishment of a National Lung Institute as a part of the National Institutes of Health. The institute is needed to mobilize our research and training resources against emphysema, chronic bronchitis, and other res-

piratory diseases such as pneumoconiosis, sometimes known as miners' asthma.

Emphysema, chronic bronchitis, and asthma combined now rank among the 10 leading causes of death—primarily due to the dramatic rise in mortality caused by emphysema in recent years. Deaths due to emphysema increased by 64 percent between 1962 and 1966 as compared to an overall increase of 6 percent for all causes of death. Last year 24,000 of our citizens died due to emphysema. It is estimated that some 5 million Americans are affected with emphysema. In recent years emphysema has forced approximately 16,000 workers to retire prematurely at an annual cost of \$90 million in social security benefits. Emphysema is the second most frequent disability for which benefits are awarded. Heart disease is first.

It is believed that emphysema, a disease which causes the lungs to become enlarged, is a late effect of chronic infection or irritation of the bronchial tubes. When they become irritated or infected the lungs as a whole may become enlarged, at the same time becoming less efficient in exchanging oxygen for carbon dioxide. Emphysema may also interfere with the passage of blood through the small blood vessels of the lung. As interference grows, the heart must work harder to pump blood. The heart may enlarge under the strain and eventually give out. This type of heart failure is often the end result of emphysema.

Very little money is now being invested in research to prevent and treat emphysema and in training medical personnel in the diagnosis and treatment of the disease. The growing deaths and disability due to emphysema make it imperative that we provide for the needed research and training for a concerted attack. We are now spending only \$3.6 million on research and training against emphysema, largely through the program of the National Institute of Allergy and Infectious Diseases. It is understandable that the Institute gives priority to allergic and infectious illness. But it is no less urgent that we provide organizationally for an attack on emphysema, chronic bronchitis, and other diseases of the lung so that we can attract the number of scientists and physicians that are desperately needed in the fields of research and practice that we may advance our knowledge in preventing and treating chronic respiratory diseases. I want to make it clear that the proposed National Lung Institute would in no way duplicate the work of any other National Institute of Health.

This legislation is endorsed by the National Tuberculosis and Respiratory Disease Foundation.

Mr. President, I ask unanimous consent that the text of the bill be printed in full at the end of my remarks following an article from the New York Times of January 27, 1969, that describes the plight of miners in West Virginia who are afflicted with what is commonly known as miners' asthma or black lung. I am confident that the proposed National Lung Institute will bring to our knowledge in preventing and treating this illness.

The VICE PRESIDENT. The bill will

be received and appropriately referred; and, without objection, the bill and article will be printed in the Record.

The bill (S. 765) to amend the Public Health Service Act to provide for the establishment of a National Lung Institute, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the Record, as follows:

S. 765

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Public Health Service Act (42 U.S.C., ch. 6A, subch. III) is amended by adding at the end thereof the following new part:

"PART G—NATIONAL LUNG INSTITUTE "ESTABLISHMENT

"SEC. 461. The Secretary of Health, Education, and Welfare (hereafter in this part referred to as the 'Secretary') is authorized and directed to establish in the Public Health Service an institute for the conduct and support of research and training relating to emphysema and other chronic respiratory diseases, including but not limited to such conditions as chronic bronchitis, asthma, and tuberculosis, as well as research and training in the special health problems and requirements of persons afflicted with such diseases, and conditions of the lung.

"ESTABLISHMENT OF ADVISORY COUNCIL

"SEC. 462. (a) The Secretary is authorized and directed to establish an advisory council to advise, consult with, and make recommendations to him on matters relating to the activities of the National Lung Institute.

"(b) The provisions relating to the composition, terms of office of members, and reappointment of members of advisory councils under section 432(a) shall be applicable to the council established under this section.

"(c) Upon appointment of such council, it shall assume all or such part as the Secretary may specify of the duties, functions, and powers of the National Advisory Health Council relating to the research or training projects with which such council established under this part is concerned and such portion as the Secretary may specify of the duties, functions, and powers of any other advisory council established under this Act relating to such projects.

"FUNCTIONS

"SEC. 463. The Secretary shall, through the National Lung Institute established under this part, carry out the purposes of section 301 with respect to the research and training of research on the lung and its conditions with special emphasis on emphysema and other chronic respiratory diseases, including the special health problems and requirements of persons afflicted with such diseases, except that the Secretary shall determine the areas in which and the extent to which he will carry out such purposes of section 301 through such institute or an institute established by or under other provisions of this Act, or both of them, when both such institutes have functions with respect to the same subject matter. The Secretary is also authorized to provide training and instruction and establish and maintain traineeships and fellowships, in the National Lung Institute and elsewhere in matters relating to diagnosis, prevention, and treatment of emphysema and related respiratory diseases and conditions of the lung with such stipends and allowances (including travel and subsistence expenses) for trainees and fellows as he may deem necessary, and in addition, provide for such training, instruction, and traineeships and for such fellowships through grants to public or other non-profit institutions."